

MARYSVALE TOWN
FINANCIAL STATEMENTS
JUNE 30, 2006

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Richfield, Utah 84701

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Honorable Mayor and Town Board
Marysvale Town
Marysvale, Utah 84750

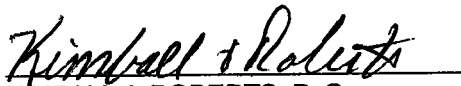
We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marysvale Town as of and for the year ended June 30, 2006, which collectively comprise Marysvale Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Marysvale Town.

A review consists principally of inquiries of Town personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management discussion and analysis and budgetary comparison information on pages 4 through 15 and 40 through 42, are not a required part of the basic financial statements but are supplementary information required by the Governmental accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,



KIMBALL & ROBERTS, P. C.
Certified Public Accountants

December 22, 2006
Richfield, Utah

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2006

This discussion of Marysville Town's financial performance provided an overview of the Town's financial activities for the year ending June 30, 2006. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, highways and public improvements, culture and recreation.

Financial Highlights

- * The assets of the Town exceeded its liabilities as of the close of the most recent year by \$833,688 (net assets). Of this amount, \$78,902 (unrestricted net assets) which may be used to meet its ongoing obligations to citizens and creditors.
- * The government's total net assets increased by \$9,978. The revenues were more than the adopted budgeted amounts, and expenditures were more than the adopted budgeted amounts in the general fund.
- * At the close of the current year, the Town's governmental fund reported ending fund balance of \$55,470, a decrease of \$9,209 in comparison with the prior year. The general fund's unrestricted fund balance was (\$20,591) at year end.
- * The Town's total debt decreased by \$9,597 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, highways and streets, sanitation, culture and recreation, and economic development. The business-type activity of the Town is water operations.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and enterprise funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund.

The Town adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Marysville Town maintains one proprietary fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006

Proprietary Funds - continued.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provides separate information for the water operations.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Marysville Town, assets exceeded liabilities by \$833,688 at the close of the most recent fiscal year. By far the largest portion of the Town's net assets (80 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net assets (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$78,902, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, the Town is able to report positive balances in all three categories of net assets. However the governmental activities, the unrestricted net assets were in a deficit position of \$20,593.

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006

Marysville Town's Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2004</u>	<u>2006</u>	<u>2004</u>
Current and Other Assets	55,470	64,679	113,763	90,089	169,233	154,768
Capital Assets	<u>376,722</u>	<u>353,393</u>	<u>483,370</u>	<u>520,783</u>	<u>860,092</u>	<u>874,176</u>
Total Assets	<u>432,192</u>	<u>418,072</u>	<u>597,133</u>	<u>610,872</u>	<u>1,029,325</u>	<u>1,028,944</u>
Long-Term Liabilities	-	-	192,027	205,234	192,027	205,234
Other Liabilities	<u>-</u>	<u>-</u>	<u>3,610</u>	<u>-</u>	<u>3,610</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>195,637</u>	<u>205,234</u>	<u>195,637</u>	<u>205,234</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	376,722	353,393	287,733	301,281	664,455	654,674
Restricted	76,063	57,554	14,268	14,268	90,331	71,822
Unrestricted	<u>(20,593)</u>	<u>7,125</u>	<u>99,495</u>	<u>90,089</u>	<u>78,902</u>	<u>97,214</u>
Total Net Assets	<u>432,192</u>	<u>418,072</u>	<u>401,496</u>	<u>405,638</u>	<u>833,688</u>	<u>823,710</u>

Governmental Activities

Governmental activities increased Marysville Town's net assets by \$14,120.

A comparative analysis will be provided in future years when prior year information is available.

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006

Marysville Town's Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program Revenues:						
Charges for Services	32,832	31,230	54,198	41,604	32,832	72,834
Operating Grants	41,250	41,229	-	-	41,250	41,229
Capital Grants	21,987	20,513	-	-	21,987	20,513
General Revenues:						
Property Taxes	13,683	13,745	-	-	13,683	13,745
Other Taxes	40,992	37,654	-	-	40,992	37,654
Unrestricted Investment	-	2,229	-	-	-	2,229
Earnings	5,558	-	-	-	5,558	-
Total Revenues	156,302	146,600	54,198	41,604	156,302	188,204
Expenses:						
General Government	49,671	28,654	-	-	49,671	28,654
Public Safety	13,954	16,404	-	-	13,954	16,404
Highways & Streets	34,982	43,966	-	-	34,982	43,966
Sanitation	13,885	17,764	-	-	13,885	17,764
Culture and Recreation	24,260	7,816	-	-	24,260	7,816
Economic Development	5,430	4,334	-	-	5,430	4,334
Water Operations	-	-	58,340	55,962	58,340	55,962
Total Expenses	142,182	118,938	58,340	55,962	200,522	174,900
Increase in Net Assets						
Before Transfers	14,120	27,662	(4,142)	(14,358)	(44,220)	13,304
Transfers	-	-	-	-	-	-
Increase in Net Assets	14,120	27,662	(4,142)	(14,358)	9,978	13,304
Net Assets - Beginning	418,072	390,410	405,638	419,996	823,710	810,406
Net Assets - Ending	432,192	418,072	401,496	405,638	833,688	823,710

* The Town received operating grants of \$41,250. Class C Roads received \$40,518 and the Liquor Law grant was \$732. They also received two capital grants for sidewalks and park building for \$21,987.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006

Business-Type Activities

Business-type activities decreased the Town's net assets by \$4,142.

- * For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.
- * The depreciation in the enterprise funds remained the same as the prior year.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the Town's governmental fund (general fund) reported combined ending fund balance of \$55,470, a decrease of \$9,209 in comparison with the prior year. The unreserved fund balance is a negative or deficit of \$20,591.

The remainder of \$76,061 is *reserved* to indicate that it is not available for new spending because it has already been committed to highways and streets.

Proprietary Funds

The Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the water fund at the end of the year was \$99,495. Other factors concerning the finances of these funds has already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The difference in the beginning and ending budgets was an increase of \$7,826.

Actual revenues were more than budgeted revenues by \$36,902 and actual expenditures were more than budgeted expenditures by \$46,111 resulting in a net decrease in fund balance of \$9,209.

MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006

Capital Asset and Debt Administration

Capital Assets

Marysville Town's investment in capital assets for its governmental activities as of June 30, 2006, was \$483,370 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads and highways.

Marysville Town's Capital Assets
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	38,816	38,816	-	-	38,816	38,816
Infrastructure	203,361	186,000	-	-	203,361	186,000
Buildings	45,386	48,043	-	-	45,386	48,043
Water System	-	-	483,370	506,515	483,370	506,515
Equipment	62,663	68,135	-	-	62,663	68,135
Construction in Progress	26,496	12,399	-	-	26,496	12,399
Total	376,722	353,393	483,370	506,515	860,092	859,908

Additional information on the Town's capital assets can be found in the notes to the financial statements.

Long -Term Debt

At the end of the current year, the Town's had total bonded debt outstanding of \$195,637. The revenue bonds represent debt that is secured by specified revenue sources.

Marysville Town's Long-Term Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Notes Payable	-	-	-	4,766	-	4,766
Revenue Bonds	-	-	195,637	200,468	195,637	200,468
Total Long-Term Debt	-	-	195,637	205,234	195,637	205,234

**MARYSVALE TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For The Year Ended June 30, 2006**

Long -Term Debt - Continued.

State statutes limit the amount of general obligation debt a governmental entity may issue. A town may issue up to 12% of the total fair market value of taxable property in the Town. The Town has no general obligation debt.

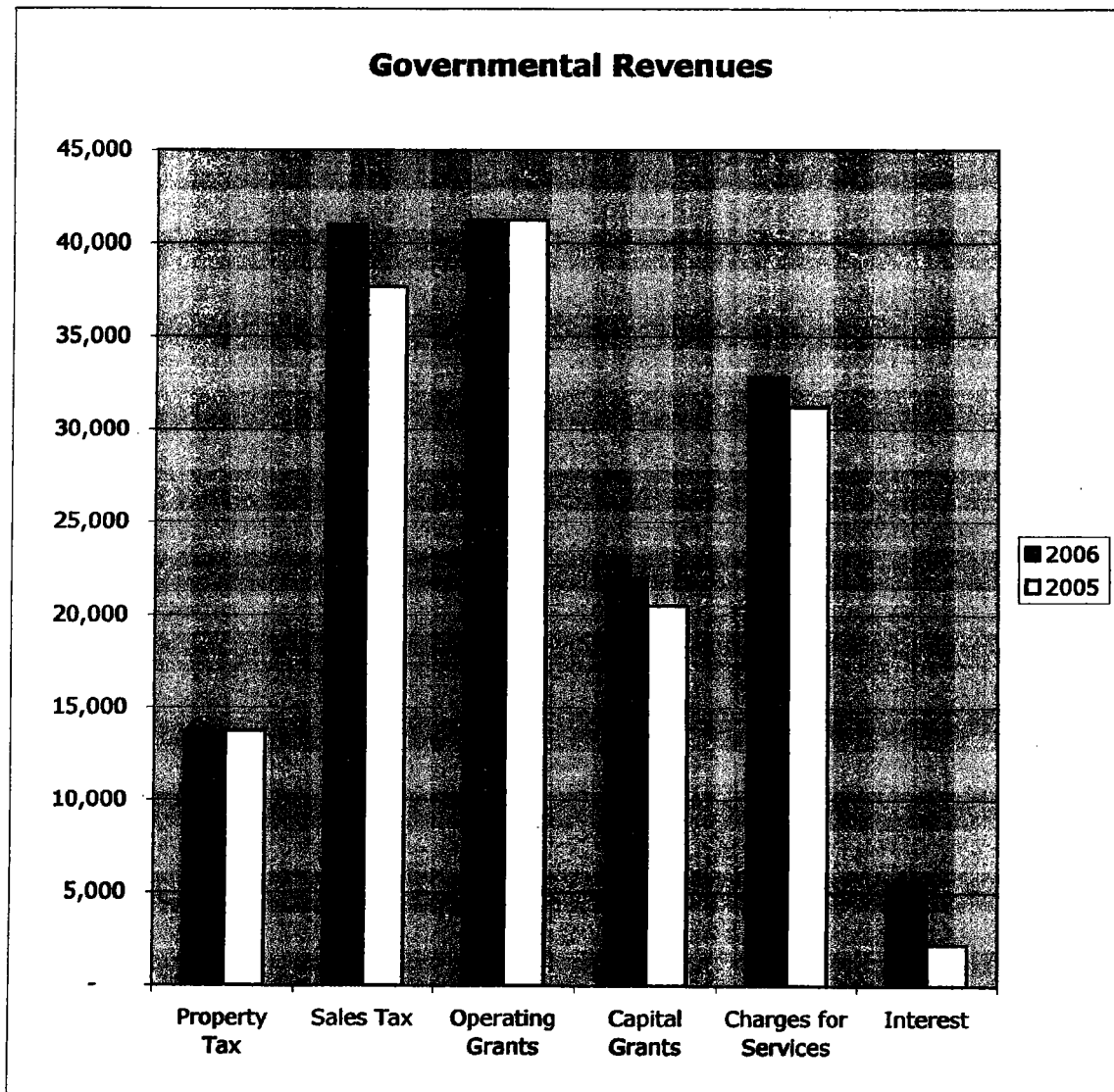
Additional information on the Town's long-term debt can be found in the notes of the financial statements.

Request for Information

This financial report is designed to provide a general overview of Marysvale Town finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Marysvale Town Clerk, P.O. Box 160, Marysvale, Utah, 84750.

**Marysville Town
Governmental Revenues
For The Fiscal Years Ending June 30, 2006 and 2005**

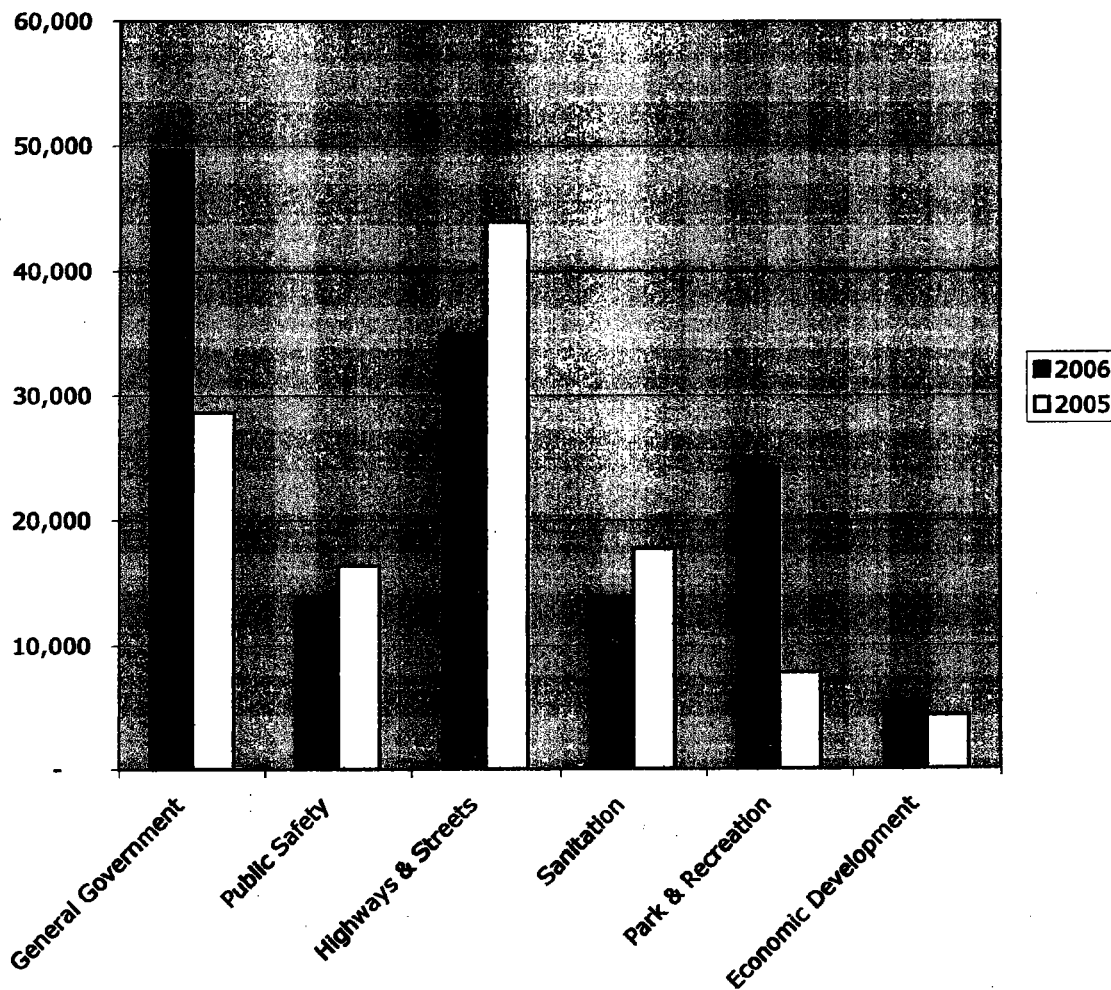
	2006	2005
Property Tax	13,683	13,745
Sales Tax	40,992	37,654
Operating Grants	41,250	41,229
Capital Grants	21,987	20,513
Charges for Services	32,832	31,230
Interest	5,558	2,229
Total Revenues	156,302	146,600



Marysville Town
Governmental Expenditures
For The Fiscal Years Ending June 30, 2006 and 2005

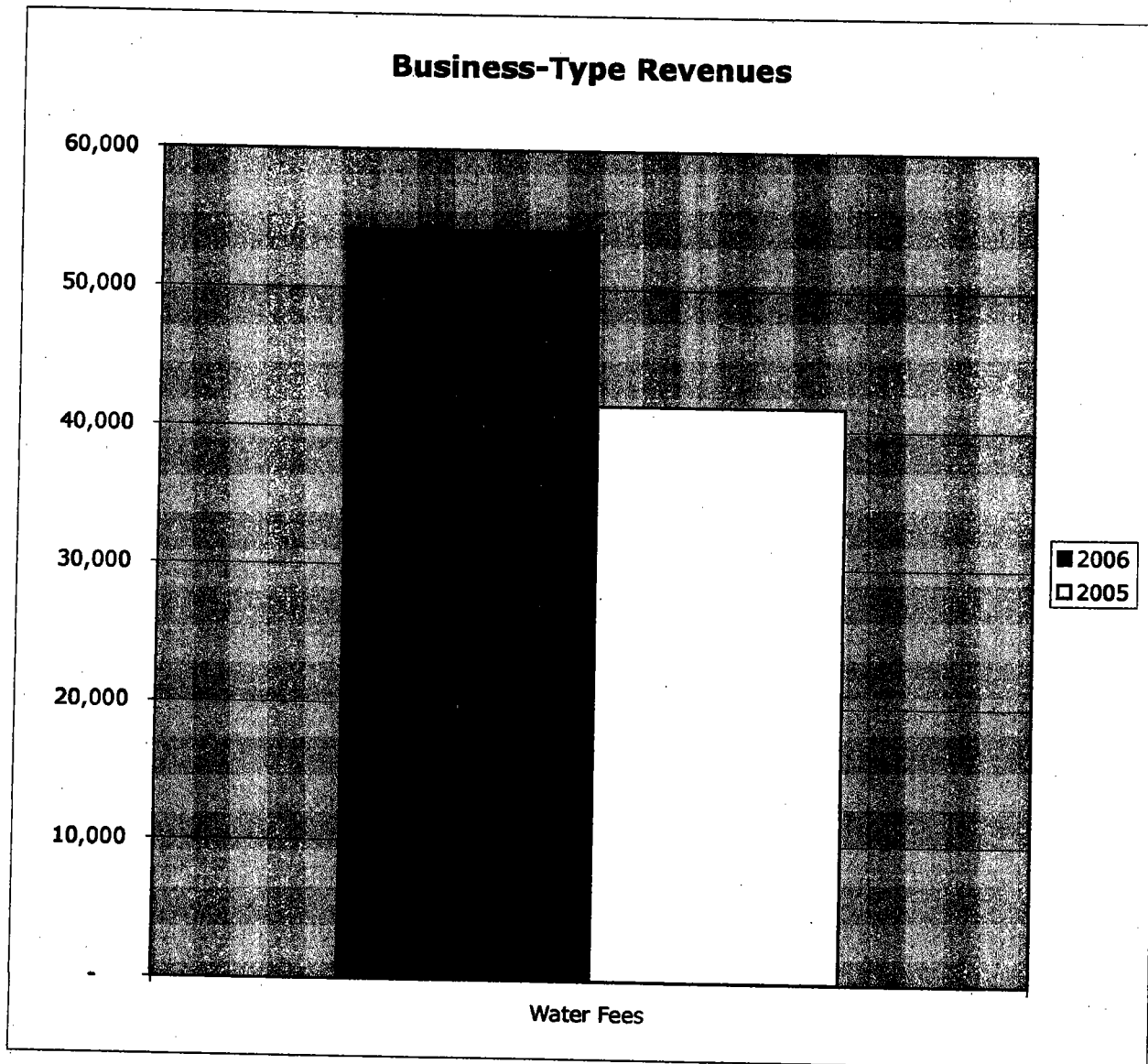
	2006	2005
General Government	49,671	28,654
Public Safety	13,954	16,404
Highways & Streets	34,982	43,966
Sanitation	13,885	17,764
Park & Recreation	24,260	7,816
Economic Development	5,430	4,334
Total Expenditures	142,182	118,938

Governmental Expenditures



**Marysville Town
Business Type Revenue
For The Fiscal Years Ending June 30, 2006 and 2005**

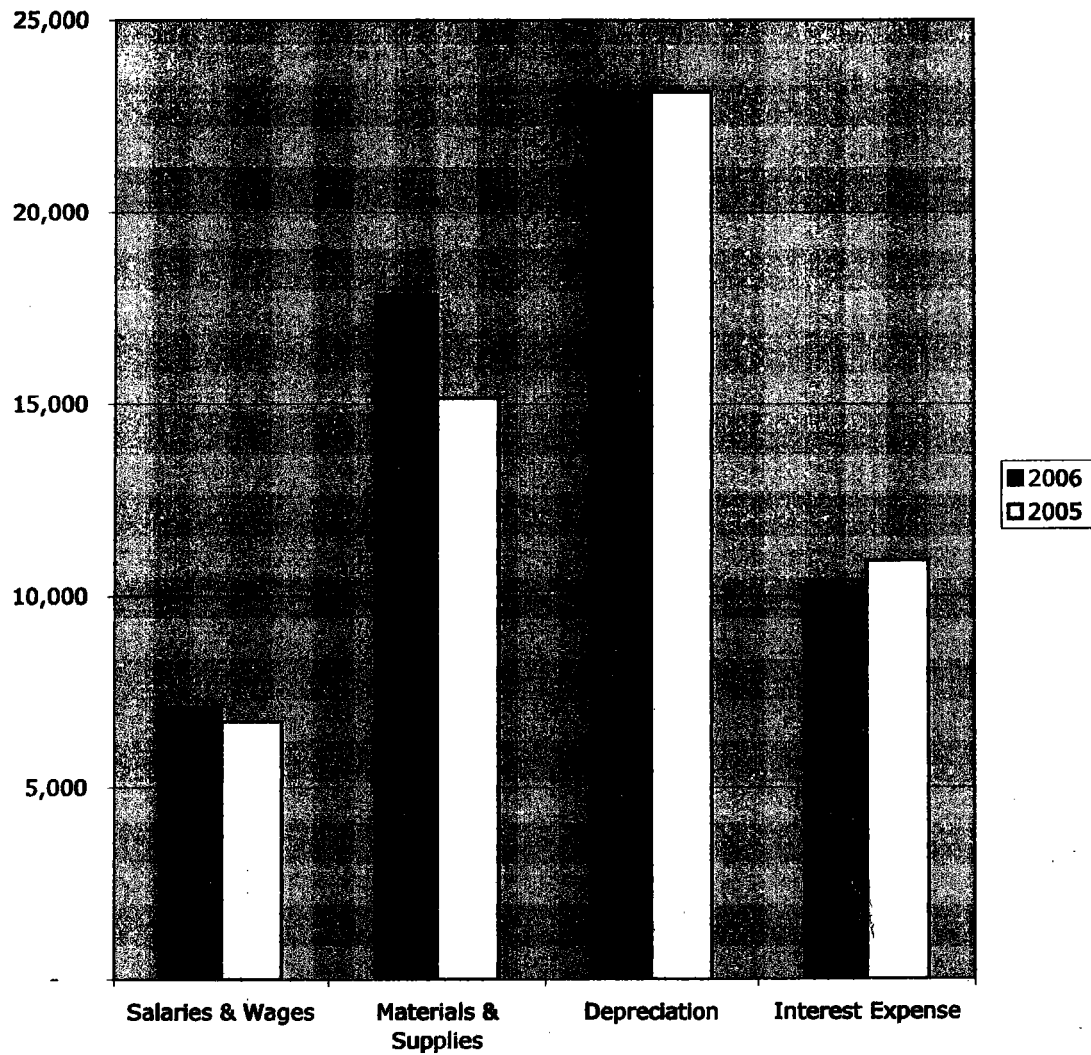
	<u>2006</u>	<u>2005</u>
Water Fees	<u>54,198</u>	<u>41,604</u>
Total Revenues	<u><u>54,198</u></u>	<u><u>41,604</u></u>



**Marysville Town
Business Type Expenditures
For The Fiscal Years Ending June 30, 2006 and 2005**

	2006	2005
Salaries & Wages	7,117	6,738
Materials & Supplies	17,839	15,157
Depreciation	23,145	23,145
Interest Expense	10,239	10,921
Total Expenditures	58,340	55,961

Business-Type Expenditures



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is used to assist in formatting, for easier reading)

BASIC FINANCIAL STATEMENTS

**MARYSVALE TOWN
STATEMENT OF NET ASSETS**

June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	55,470	91,186	146,656
Accounts Receivable (Net)	-	8,309	8,309
Total Current Assets	55,470	99,495	154,965
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	14,268	14,268
Capital Assets (Net of Accumulated Depreciation):			
Land	38,816	-	38,816
Buildings	45,386	-	45,386
Equipment	62,663	-	62,663
Water System	-	483,370	483,370
Infrastructure	203,361	-	203,361
Construction in Progress	26,496	-	26,496
Total Noncurrent Assets	376,722	497,638	874,360
TOTAL ASSETS	432,192	597,133	1,029,325
LIABILITIES			
Current Liabilities:			
Revenue Bonds Payable - Due Within One Year	-	3,610	3,610
Total Current Liabilities	-	3,610	3,610
Noncurrent Liabilities:			
Revenue Bonds Payable - Due More Than One Year	-	192,027	192,027
Total Noncurrent Liabilities	-	192,027	192,027
TOTAL LIABILITIES	-	195,637	195,637
NET ASSETS			
Investment in Capital Assets, Net of Debt	376,722	287,733	664,455
Restricted For:			
Bond Retirement	-	14,268	14,268
Class C Road	76,063	-	76,063
Unrestricted	(20,593)	99,495	78,902
TOTAL NET ASSETS	432,192	401,496	833,688
TOTAL LIABILITIES AND NET ASSETS	432,192	597,133	1,029,325

See accompanying notes and accountant's report.

**MARYSVALE TOWN
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2006

Function/Programs Primary Government:	Expenses	Program Revenues		Net (Expense) Revenues and	
		Charges for Operating Services	Grants/Contributions/Capital Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:					
General Government	49,671	2,595	-	(47,076)	-
Public Safety	13,954	-	732	(13,222)	-
Highways and Streets	34,982	-	40,518	27,523	-
Sanitation	13,885	28,337	-	14,452	-
Culture and Recreation	24,260	1,900	-	(22,360)	-
Economic Development	5,430	-	-	(5,430)	-
Interest	-	-	-	-	(10,239)
Total Governmental Activities	142,182	32,832	41,250	(46,113)	(10,239)
					(56,352)
Business-Type Activities:					
Water Fund	48,101	54,198	-	-	6,097
Total Primary Government	190,283	87,030	41,250	(46,113)	(4,142)
					(50,255)
General Revenues:					
Property Taxes				13,683	-
Sales Taxes				40,992	-
Unrestricted Investment Earnings				5,558	-
Total General Revenues and Transfers				60,233	-
					60,233
Change in Net Assets					
				14,120	(4,142)
					9,978
Net Assets - Beginning				418,072	405,638
					823,710
Net Assets - Ending				432,192	401,496
					833,688

See accompanying notes and accountant's report.

**MARYSVALE TOWN
BALANCE SHEET
GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2006

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>55,470</u>
TOTAL ASSETS	<u><u>55,470</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	<u>-</u>
Fund Balances:	
Reserved For:	
Class "C" Road	76,061
Unreserved, Reported In:	
General Fund	<u>(20,591)</u>
Total Fund Balance	<u>55,470</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>55,470</u></u>

See accompanying notes and accountant's report.

MARYSVALE TOWN
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS

June 30, 2006

Total Fund Balances - Governmental Fund Types	55,470
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Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds:

Land	38,816	
Buildings	45,386	
Equipment	62,663	
Infrastructure	203,361	
Infrastructure	<u>26,496</u>	
 Total		 <u>376,722</u>

Net Assets of Government Activities	<u><u>432,192</u></u>
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MARYSVALE TOWN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2006

	<u>General Fund</u>
Revenues:	
Taxes	54,675
Licenses and Permits	1,180
Intergovernmental Revenue	63,237
Charges for Services	30,237
Interest	5,558
Miscellaneous Revenues	<u>1,415</u>
 Total Revenues	 <u>156,302</u>
 Expenditures:	
Current:	
General Government	49,671
Public Safety	7,000
Highways and Streets	10,358
Sanitation	13,885
Culture and Recreation	23,418
Economic Development	5,430
Capital Outlay	<u>55,749</u>
 Total Expenditures	 <u>165,511</u>
 Net Change In Fund Balance	 (9,209)
 Fund Balance - Beginning	 <u>64,679</u>
 Fund Balance - Ending	 <u><u>55,470</u></u>

See accompanying notes and accountant's report.

MARYSVALE TOWN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities
are different because:

Net Changes in Fund Balances - Total Governmental Funds	(9,209)
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Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(32,420)	
Capital Outlay	<u>55,749</u>	

Total		<u>23,329</u>
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Changes In Net Assets of Governmental Activities	<u><u>14,120</u></u>
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**MARYSVALE TOWN
STATEMENT OF NET ASSETS
PROPRIETARY FUND**

June 30, 2006

	Business-Type Activity <u>Enterprise Fund</u>
	<u>Water Fund</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	91,186
Accounts Receivable	<u>8,309</u>
Total Current Assets	<u>99,495</u>
Noncurrent Assets:	
Investments - Restricted:	
Bond Retirement	14,268
Capital Assets: (Net of Accum. Depr.)	
Water System	<u>483,370</u>
Total Noncurrent Assets	<u>497,638</u>
TOTAL ASSETS	<u><u>597,133</u></u>
LIABILITIES:	
Current Liabilities:	
Bonds Payable - Current Portion	<u>3,610</u>
Total Current Liabilities	<u>3,610</u>
Noncurrent Liabilities:	
Bonds Payable - Long-Term Portion	<u>192,027</u>
Total Noncurrent Liabilities	<u>192,027</u>
TOTAL LIABILITIES	<u>195,637</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	287,733
Restricted for Bond Retirement	14,268
Unrestricted	<u>99,495</u>
TOTAL NET ASSETS	<u>401,496</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>597,133</u></u>

See accompanying notes and accountant's report.

MARYSVALE TOWN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

June 30, 2006

	Business-Type Activity Enterprise
	<u>Water Fund</u>
Operating Revenues:	
Charges for Sales and Services:	
Water	54,198
	<u>54,198</u>
Total Operating Revenues	<u>54,198</u>
Operating Expenses:	
Salaries	7,117
Materials and Supplies	17,839
Depreciation	23,145
	<u>48,101</u>
Total Operating Expenses	<u>48,101</u>
Operating Income	<u>6,097</u>
Nonoperating Revenues (Expenses):	
Interest Expense	(10,239)
	<u>(10,239)</u>
Total Nonoperating Revenues (Expenses)	<u>(10,239)</u>
Change in Net Assets	(4,142)
Total Net Assets - Beginning	405,638
Total Net Assets - Ending	<u>401,496</u>

See accompanying notes and accountant's report.

**MARYSVALE TOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

June 30, 2006

	Business-Type Activity Enterprise
	<u>Water Fund</u>
Cash Flows From Operating Activities:	
Receipts From Customers	52,629
Payments to Suppliers	(17,839)
Payments to Employees	<u>(7,117)</u>
Net Cash Provided by Operating Activities	<u>27,673</u>
Cash Flows From Capital and Related Financing Activities:	
Principal Paid on Capital Debt	(9,597)
Interest Paid on Capital Debt	<u>(10,239)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(19,836)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,837
Cash and Cash Equivalents - Beginning	<u>97,617</u>
Cash and Cash Equivalents - Ending	<u><u>105,454</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:	
Operating Income	<u>6,097</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:	
Depreciation	23,145
Increase (Decrease) in Operating Assets:	
Accounts Receivable	<u>(1,569)</u>
Total Adjustments	<u>21,576</u>
Net Cash Provided (Used) by Operating Activities	<u><u>27,673</u></u>

See accompanying notes and accountant's report.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS

June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Marysville conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2006.

The following is a summary of the more significant policies:

A. Reporting Entity

Marysville Town is a municipal corporation in Piute County, Utah. It is governed by an elected Mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Marysville Town, the reporting entity. The Town has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town of Marysville considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Government reports the following Proprietary Funds:

The Utility Funds accounts for the activities of the City water operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Water System	40 Years
Equipment	10 - 15 Years

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town council on or before June 22 for the following Fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Some Towns find themselves with a deficit fund balance in one or more of their funds. The State Auditor has taken the position that a deficit, created by expenditures being made in excess of those budgeted, is an illegally created debit in violation of the Utah Constitution, Section XIV(3). As such, the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. Maximum in the general funds may not exceed 75% of the total estimated revenue of the general fund.

Once adopted, the budget may be amended by the Town Board without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

G. Property Taxes

Property taxes are assessed and collected for the Town by Piute County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

NOTE 2 - DEPOSITS AND INVESTMENTS

Marysvale Town maintains a cash investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

Deposits:

At year end, the carrying amount of the Town's deposits was \$28,679 and the bank balances were \$31,591. All of the bank balance was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

Cash and investments as of June 30, 2006, consist of the following:

	<u>Fair Value</u>
Demand Deposits	28,679
Investments - PTIF	<u>132,245</u>
Total Cash and Investments	<u><u>160,924</u></u>

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities	55,470
Business-Type Activities - Unrestricted	91,186
Business-Type Activities - Restricted	<u>14,268</u>
 Total Cash and Cash Equivalents	 <u><u>160,924</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk:

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2006, \$0 of the local government's bank balances of \$31,591 were uninsured and uncollateralized.

Credit Risk:

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the UMMA.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended June 30, 2006, the local governments has investments of \$132,245 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of Credit Risk:

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - BOND RESERVES

The 1992 Subordinated Water Revenue Bond requires the Town to place into a reserve account \$118.90 per month to a maximum of \$14,268.00 over ten years. In addition, one months bond payment of \$1,189.00 is required to be in the reserve account at months end. The balance of the bond reserves at June 30, 2006, was \$14,268.00.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental				
Capital Assets Not Being Depreciated:				
Water Rights	22,000	-	-	22,000
Land Under Roads	16,816	-	-	16,816
Construction in Progress	<u>12,399</u>	<u>26,496</u>	<u>12,399</u>	<u>26,496</u>
 Total Capital Assets Not Being Depreciated	 <u>51,215</u>	 <u>26,496</u>	 <u>12,399</u>	 <u>65,312</u>
 Capital Assets Being Depreciated:				
Buildings	111,225	-	-	111,225
Machinery and Equipment	165,271	-	-	165,271
Infrastructure	<u>465,000</u>	<u>41,652</u>	<u>-</u>	<u>506,652</u>
 Total Capital Assets Being Depreciated	 <u>741,496</u>	 <u>41,652</u>	 <u>-</u>	 <u>783,148</u>
 Less Accumulated Depreciation For:				
Buildings	63,182	2,657	-	65,839
Machinery and Equipment	97,136	5,472	-	102,608
Infrastructure	<u>279,000</u>	<u>24,291</u>	<u>-</u>	<u>303,291</u>
 Total Accumulated Depreciation	 <u>439,318</u>	 <u>32,420</u>	 <u>-</u>	 <u>471,738</u>
 Total Capital Assets Being Depreciated (Net)	 <u>302,178</u>	 <u>(32,420)</u>	 <u>-</u>	 <u>311,410</u>
 Governmental Activities Capital Assets, Net	 <u>353,393</u>	 <u>(5,924)</u>	 <u>12,399</u>	 <u>376,722</u>

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Water System	<u>925,800</u>	<u>-</u>	<u>-</u>	<u>925,800</u>
Total Capital Assets Being Depreciated	<u>925,800</u>	<u>-</u>	<u>-</u>	<u>925,800</u>
Less Accumulated Depreciation For:				
Water System	<u>419,285</u>	<u>23,145</u>	<u>-</u>	<u>442,430</u>
Total Accumulated Depreciation	<u>419,285</u>	<u>23,145</u>	<u>-</u>	<u>442,430</u>
Total Capital Assets Being Depreciated (Net)	<u>506,515</u>	<u>(23,145)</u>	<u>-</u>	<u>483,370</u>
Business Type Activities Capital Assets, Net	<u>506,515</u>	<u>(23,145)</u>	<u>-</u>	<u>483,370</u>
Total Capital Assets	<u>859,908</u>	<u>(29,069)</u>	<u>12,399</u>	<u>860,092</u>

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Public Safety	6,954	-	6,954
Public Health	-	23,145	23,145
Highways and Streets	24,624	-	24,624
Culture and Recreation	<u>842</u>	<u>-</u>	<u>842</u>
Total Depreciation Expense	<u>32,420</u>	<u>23,145</u>	<u>55,565</u>

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG-TERM DEBT

Utility Long-Term Debt

1992 Subordinated Water Revenue Bonds Payable:

On October 7, 1992, the Town issued Subordinated Water Revenue Bonds in the amount of \$229,800 to Farmers Home Administration for the purpose of helping to finance the cost of constructing and installing new collection, storage and transmission facilities and additions to the water distribution system and in other ways improving the existing water system. The bond calls for monthly payments by the Town of \$1,189 including interest at 5.5%. The balance at June 30, 2006, was \$195,637.

The following is a schedule of debt service for the Subordinated Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	3,610	10,658	14,268
2008	3,809	10,459	14,268
2009	4,019	10,249	14,268
2010	4,240	10,028	14,268
2011	4,473	9,795	14,268
2012 - 2016	26,336	45,004	71,340
2017 - 2021	34,420	36,920	71,340
2022 - 2026	44,985	26,355	71,340
2027 - 2031	58,794	12,546	71,340
2032 - 2036	10,951	-	10,951
Total	<u>195,637</u>	<u>172,014</u>	<u>367,651</u>

Note Payable - State Bank of Southern Utah:

On April 23, 1998, Marysville obtained financing from State Bank of Southern Utah for the purpose of retiring the 1989, 10.95% Water Revenue Bonds held by Zions First National Bank. The amount of the loan was \$58,750, 6% interest, with payments of \$801.93 per month for 92 consecutive months. First payment due on June 1, 1998. The balance of the note at June 30, 2006, was \$0.

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Changes in Utility Long-Term Debt at June 30, 2006, are as follows:

	Date of Issue	Interest Rate	Total Issued	Outstanding June 30, 2005	Current Year Changes		Outstanding June 30, 2006
					Issued	Matured	
Subordinated Water Revenue Bonds - FHA	1992	5.5%	229,800	200,468	-	4,831	195,637
Notes Payable State Bank of Southern Utah	1998	6.00%	58,750	4,766	-	4,766	-
Total			288,550	205,234	-	9,597	195,637

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of total debt service charges to maturity for utility long-term debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	3,610	10,658	14,268
2008	3,809	10,459	14,268
2009	4,019	10,249	14,268
2010	4,240	10,028	14,268
2011	4,473	9,795	14,268
2012 - 2016	26,336	45,004	71,340
2017 - 2021	34,420	36,920	71,340
2022 - 2026	44,985	26,355	71,340
2027 - 2031	58,794	12,546	71,340
2032 - 2036	10,951	-	10,951
Total	<u>195,637</u>	<u>172,014</u>	<u>367,651</u>

NOTE 6 - CLASS C ROAD

The Town receives Class C Road money from the State of Utah for road construction and maintenance. The unexpended portion of this money is shown as reserved fund balance in the financial statements.

The following is schedule of receipts and disbursements in the Class C Road:

Balance - Beginning of Year	57,554
Receipts:	
State Allotments	40,518
Disbursements:	
Repairs and Maintenance	<u>(22,009)</u>
Balance - End of Year	<u>76,063</u>

MARYSVALE TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries and disasters. The Town is insured through the Utah Local Government Trust for general liability coverage and automobile coverage. The limits of coverage are \$1,000,000 with \$250 deductible for each occurrence for both comprehensive general liability and automobile liability. Uninsured motorist has a \$50,000 limit per each accident.

The Town is insured for property and equipment loss through Utah Local Government Trust. This coverage is for all buildings and equipment owned by the Town. The coverage is for replacement cost with a \$1,000 deductible.

Worker's Compensation coverage is provided through the Worker's Compensation Fund of Utah.

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is used to assist in formatting, for easier reading)

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

MARYSVALE TOWN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For The Fiscal Year Ended June 30, 2006

Budgetary Comparison Schedules:

The Budgetary Comparison Schedules presented in this section of the report are for the Town's General Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Town Board prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Board through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

**MARYSVALE TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General Property Taxes	12,745	13,000	13,683	683
General Sales and Use Taxes	35,157	35,000	40,992	5,992
Total Taxes	47,902	48,000	54,675	6,675
Licenses and Permits	800	1,000	1,180	180
Intergovernmental Revenue:				
Class C Road	32,970	34,000	40,518	6,518
State Liquor Allotment	448	400	732	332
State Grants	-	-	21,987	21,987
Total Intergovernmental Revenue	33,418	34,400	63,237	28,837
Charges for Services:				
Cemetery	1,350	1,000	1,900	900
Landfill	25,000	17,000	28,337	11,337
Total Charges for Services	26,350	18,000	30,237	12,237
Other Revenue:				
Interest	2,083	1,000	5,558	4,558
Improvement Assessment	-	16,000	-	(16,000)
Miscellaneous	1,021	1,000	1,415	415
Total Miscellaneous Revenue	3,104	18,000	6,973	(11,027)
Total Revenues	111,574	119,400	156,302	36,902
Expenditures:				
General Government:				
Administration	42,000	42,000	48,071	(6,071)
Professional Fees	1,600	1,700	1,600	100
Total General Government	43,600	43,700	49,671	(5,971)

**MARYSVALE TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued):				
Public Safety:				
Fire Department	5,000	2,000	2,000	-
Police Services	10,000	7,000	5,000	2,000
Total Public Safety	15,000	9,000	7,000	2,000
Highway and Public Improvements:				
Repairs and Maintenance	21,000	14,200	10,358	3,842
Sanitation	19,000	17,000	13,885	3,115
Culture and Recreation:				
Cemetery	1,000	1,000	143	857
Parks	7,000	25,000	23,275	1,725
Total Culture and Recreation	8,000	26,000	23,418	2,582
Community and Economic Development:				
Economic Development	1,500	1,500	5,430	(3,930)
Improvements	3,474	8,000	-	8,000
Total Economic Development	4,974	9,500	5,430	4,070
Capital Outlay	-	-	55,749	(55,749)
Total Expenditures	111,574	119,400	165,511	(46,111)
Excess Revenues Over (Under) Expenditures	-	-	(9,209)	(9,209)
Fund Balance - Beginning of Year			64,679	
Fund Balance - End of Year			55,470	